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# PCSW

Permanent Commission on the Status of Women

*The State's leading force for women's equality*

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**Written Testimony of  
The Permanent Commission on the Status of Women  
Before the  
Appropriations Committee**

**Thursday, February 11, 2010  
Wednesday, February 17, 2010  
Thursday, February 18, 2010**

**Re: H.B. 5018, AA Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2011 – Budgets for the Departments of Social Services, Public Health, and Labor**

Senator Harp, Representative Geragosian and members of the committee, thank you for this opportunity to provide testimony on the budgets for the Departments of Social Services, Public Health, and Labor on behalf of the PCSW, the Connecticut Women's Health Advisory Campaign, and the Young Women's Leadership Program.

The biennial budget, which was passed in October, 2009, cut several healthcare, basic needs, and job training and employment initiatives. Four months later, another budget has been proposed to make further cuts to these initiatives in an effort to balance the state deficit. These initiatives assist citizens, including a significant portion of women, to maintain basic necessities – healthcare, housing, and jobs - a need that has increased rather than decreased in this recession. Our state budget deficit is everybody's problem, and should not be solved by continually cutting the funds for essential services.

**Proposed Cuts**

The Governor's budget proposes to save \$55.3M by eliminating or cutting the following programs:

Job training programs (total \$1.4M):

- \$500,000 Apprenticeship Program (elimination)
- \$450,000 TANF Job Reorganization (elimination)
- \$450,000 STRIVE (elimination)

Basic needs programs (total \$15M):

- \$500,000 from safety net services (cut)
- \$614,000 from transitional rental assistance (cut)
- \$2.4M from housing/homeless services (cut)
- \$11.5M for childcare services (cut)

Health care programs (total \$38.9M):

- \$12M by imposing co-payments and premiums on Husky A, Husky B, and Medicare Part D recipients;
- \$1.6M by reducing funds to school based health clinics;
- \$18M by removing coverage for over the counter drugs, vision care, non-emergency medical transportation, and non-formulary drugs, and;
- \$7.3M by delaying implementation of the HIV/AIDS waiver, contracting with vendors for foreign language interpretation rather than amending the state Medicaid plan, and updating the Medicaid Medical Necessity and Appropriateness definition.

We urge you to reject these proposals as they will negatively impact the women of Connecticut. Women represent 51.3% of the state's population. Of the state's female population, 80% are 16 years of age or over and 15.4% are 65 years of age or over. Women represent 47.6% of Connecticut's labor force. Of the female population ages 20 to 64, 75.6% (1,063,307) are in the labor force, of whom 66% have children under the age of 6 years old.<sup>1</sup>

Even though women are equally represented in the workforce, they are not economically equal to men. Twenty-percent of Connecticut working families do not have enough income to meet their basic costs of living based upon the family economic self-sufficiency standard (FESS).<sup>2</sup> Of the 20%, female head of households represent 29% vs. 14% of male head of households.<sup>3</sup> The ability to be self-sufficient is further exacerbated by the increase in unemployment among women. As of December 2009, the number of unemployed women was 6.3 million, an increase of 2.8 million since the recession began.<sup>4</sup>

At this time, job training, basic needs, and healthcare are essential to maintain, not drastically decrease or eliminate.

### ***Job Training and Education***

Job training and education programs should be maintained because increased education translates into increased earnings.

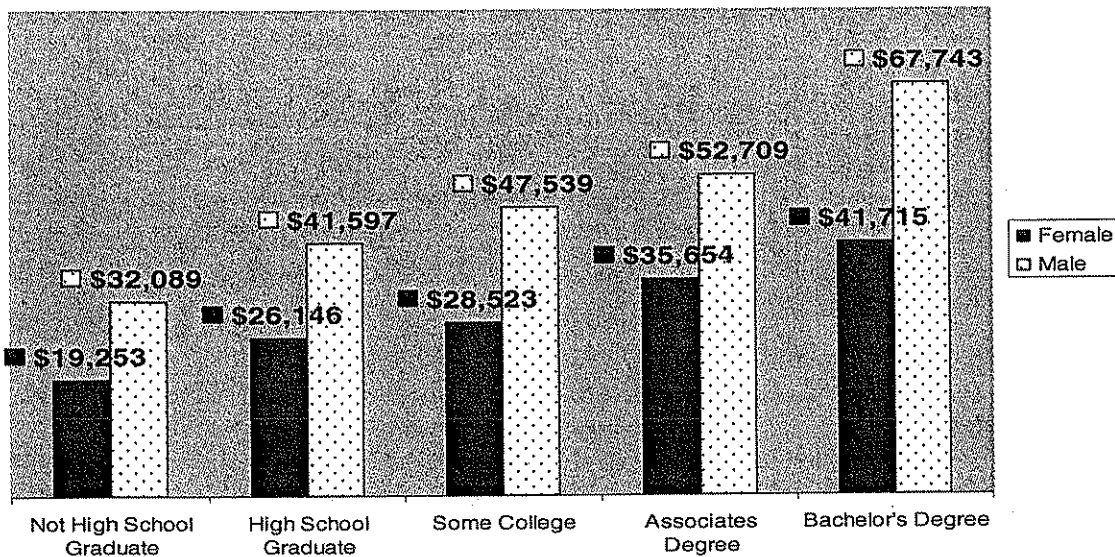
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<sup>1</sup> U.S. Census Bureau, American Fact Finder. *Connecticut Selected Economic Characteristics: 2005-2007*.

<sup>2</sup> Diana M. Pearce, Ph.D. *Overlooked and Undercounted: Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June 2007 – also source for self-sufficiency charts.

<sup>3</sup> Ibid.

<sup>4</sup> Hartmann, Heidi, et. al. *Women and Men's Employment and Unemployment in the Great Recession*. Institute for Women's Policy Research, February 2010.



The difference between having a high school diploma or equivalent and not having one is worth, on average, \$7,000 per year in wages for women. Obtaining a two-year Associate's degree is worth more than \$9,000 more per year.<sup>5</sup> According to the State Department of Education, between FY 2002-2006 females who obtained employment after exiting an adult education program earned an average weekly income of \$310, and males earned an average weekly income of \$378.

According to the CT Department of Labor, 84.2% (14,068) of participants in the time-limited Jobs First Program are female. The participants enter the program with employment barriers - 23% have no high school diploma, 9% have low math/reading skills, and 59% do not have childcare.<sup>6</sup> If we want to unlock the door for these parents and their children, we must invest in basic education including literacy, numeracy and English as a Second Language, provide skill training in occupations that lead to employment and wages sufficient to gain economic security, and provide career services to assist in obtaining self-sufficient jobs.

### **Basic Needs**

The lack of basic needs such as housing and childcare limits employment opportunities. The cost of childcare can be very high, and requires a significant share of a family's monthly earnings - most families in Connecticut spend 30% to 40% of their income on childcare.<sup>7</sup>

The majority of renter households are likely to have lower incomes and wealth or to be in life transitions—including the young, the foreign born, and divorced or separated individuals.<sup>8</sup> In terms of statewide averages, Connecticut is the seventh least affordable rental housing market in the country.<sup>9</sup> Rent levels are climbing dramatically and have far exceeded the increase in income levels.<sup>10</sup> Full-time work does not provide enough income for many families to afford a modest apartment. In fact, a person earning the state's minimum wage must work nearly three full-time jobs to afford the statewide fair market rent of \$1,098 per month for a two-bedroom apartment. In

<sup>5</sup> U.S. Census, Current Population Survey, 2003

<sup>6</sup> *At-A-Squint, Jobs First Employment Services Participants Served by CTWorks, FY 2009 July 1, 2008-June 30, 2009.*

<sup>7</sup> Diana Pearce. *The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*, Office of Workforce Competitiveness, State of Connecticut, 2005.

<sup>8</sup> Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing*, 2008

<sup>9</sup> CT Housing Coalition & the National Low Income Housing Coalition, *Out of Reach Report*, 2008

<sup>10</sup> CT Housing Coalition, *Housing Statistics*

terms of annual income, a Connecticut household must earn \$43,911 a year to afford a typical two-bedroom rental.<sup>11</sup>

## *Healthcare*

While Medicaid is not often considered to be a women's health program, women comprise 69% of adult beneficiaries nationally,<sup>12</sup> and 71% of adult beneficiaries in Connecticut.<sup>13</sup> SAGA medical is a lifeline for almost 30,000 residents, and women comprise 40% of those with SAGA medical coverage – or about 12,000 of those with SAGA. Medicare provides a health and financial safety net for virtually all older Americans and for many people with disabilities who are under the age of 65. Because women have longer life expectancies than men, more than half (57%) of those covered by the program are women.

Adequate health insurance and access to affordable childcare are critical to helping low-wage mothers stay employed. During the state fiscal crisis of the early 2000s, many publicly funded work support programs were either reduced or eliminated, with those working often the first cut from the programs. A study conducted by the Center for Economic and Policy Research examined how patterns of Medicaid and childcare access affect women's employment outcomes.<sup>14</sup> It found that less than a quarter of women who stopped receiving Medicaid in 2002-2003 went on to receive health coverage from employers. In addition, those who left Medicaid in 2002-2003 were less likely to receive employer-provided health insurance than those who left in 1997-1998. Further, women who lost Medicaid without receiving employer-provided health insurance were nine times as likely to leave the labor market, compared to women who moved into employer-provided health insurance. Many working families cannot afford to purchase health insurance, and only those who very recently left welfare have any likelihood of receiving public benefits. This creates a hole in the safety net for low-wage working women that do not receive welfare, who are not likely to have access to employer-provided health insurance or to have sufficient income to purchase health insurance in the market.

Health care is integral to a healthy Connecticut economy, because although these cuts will produce "savings" in the short term, the state will end up paying for emergency care or chronic conditions that could have been avoided through preventative care.

We urge you to reject the Governor's proposal to dismantle job training, basic needs, and healthcare assistance programs. With 20% of households lacking adequate income, the problem is clearly not one explained by individual characteristics, but rather one that reflects the structure of the economy. Cuts will not be enough to address this economic crisis; we must look to the revenue side. The October budget made \$3 billion in cuts and \$1 billion in revenue increases. We need a balanced approach that addresses the state's structural revenue problem with a revenue solution.

We appreciate your attention to these matters.

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<sup>11</sup> CT Housing Coalition & the National Low Income Housing Coalition, *Out of Reach Report*, 2008

<sup>12</sup> *Ibid.*

<sup>13</sup> National Women's Law Center, *Cuts to Medicaid Will Hurt Connecticut*, May 2005.

<sup>14</sup> Heather Boushey, Ph.D. *The Effects on Employment and Wages When Medicaid and Child Care Subsidies are No Longer Available*, Center for Economic and Policy Research, January 26, 2005. < [http://www.cepr.net/publications/Effects\\_on\\_employment\\_wages\\_without\\_medicaid\\_child\\_care\\_subsidies.htm](http://www.cepr.net/publications/Effects_on_employment_wages_without_medicaid_child_care_subsidies.htm)>.